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DE RUEHSG #0974/01 3042003  
ZNR UUUUU ZZH  
R 302003Z OCT 08  
FM AMEMBASSY SANTIAGO  
TO SECSTATE WASHDC 3900

UNCLAS SANTIAGO 000974

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STATE PLEASE PASS TO JOHN LYLE, INL

E.O. 12958: N/A  
TAGS: [SNAR](#) [PREL](#) [ECON](#) [KCRM](#) [CI](#)  
SUBJECT: CHILE: 2008-2009 INCSR 1 SUBMISSION

REF: STATE 100970

Chile

I. Summary

Chile is a transit country for Andean cocaine shipments destined for the U.S. and Europe. Chile has a domestic cocaine and marijuana consumption problem, and use of the amphetamine-type drug ecstasy is increasingly popular. Chile is also a source of precursor chemicals for use in cocaine processing in Peru and Bolivia. Chile is a party to the 1988 UN Drug Convention.

II. Status of Country

Chile's long, difficult-to-monitor borders with Peru, Bolivia and Argentina and international ports make it an appealing transit country for cocaine from the Andean region enroute to the U.S. and Europe. Consumption of cocaine hydrochloride (HCl), which is cocaine in its powdered form, has increased domestically, although abuse of cocaine base, a form of crack cocaine, is more prevalent. Chile ranks fourth in cocaine consumption and first in marijuana consumption among South American countries, according to the United Nations 2008 World Drug Report. Some marijuana is cultivated in Chile, but most is imported from Paraguay for use by Chilean teenagers and young adults. Chile's National Drug Control Commission (CONACE) released a study in 2008 that revealed increased availability of marijuana among students between 2005 and 2007.

III. Country Actions Against Drugs in 2008

Policy Initiatives. Chile recognizes the threat posed by illicit narcotics and has adopted policies and enforcement efforts that contribute to worldwide drug control efforts. In 2008, Chile changed its criminal statutes to align penalties for trafficking marijuana with penalties for trafficking cocaine, heroin, and other drugs. Previously, convictions for marijuana trafficking did not have the same severity under the law as convictions for trafficking in other drugs such as cocaine or heroin. The change can be attributed to an alarming increase in the illicit importation of marijuana from Paraguay.

In 2008, CONACE continued to review its national drug control strategy. The new strategy, which will be published in 2009, will likely place a stronger emphasis on drug prevention. CONACE also expanded its drug court pilot program to Iquique and Antofagasta. There are now 18 drug courts operating in Chile. These courts, similar to U.S. drug courts, provide rehabilitation to drug offenders under judicial supervision. CONACE also signed an agreement with the Public Ministry's office to evaluate the drug courts initiative.

Chile's adversarial judicial system continues to mature. Chile completed its transition from an inquisitorial to an adversarial system in 2005, and feedback in 2008 suggests that there is greater public acceptance of the new system, and faster resolution of cases. Challenges of training judges, prosecutors and law enforcement officials on evidence collection and analysis, law enforcement techniques such as

undercover operations, courtroom presentation methods, and court administration procedures remained.

**Law Enforcement Efforts.** Through June 2008, Chile reported seizures of approximately 791 kg of cocaine; 1,865 kg of cocaine pasta base; 4,156 kg of processed marijuana; 11 units of illegal pharmaceutical drugs; Statistics were not available for heroin, ecstasy, or LSD. Noteworthy operations included the April 2008 seizure of 29 kg of cocaine and other drug ingredients from the Los Gaetes Drug Cartel that resulted in ten arrests.

The Carabineros de Chile and the Policia de Investigaciones (PDI) have primary responsibility for counternarcotics law enforcement. Both the Carabineros and the PDI have dedicated anti-drug units that are considered highly professional and competent. Law enforcement efforts target both major and micro-traffickers. Chile's long coast-line and international ports contribute to drug shipments by sea. In 2008, the PDI created a Maritime Container Investigations Unit designed to target drug trafficking organizations using ports in Chile for the transit of narcotics and chemical precursors. The Carabineros de Chile also launched Plan Vigia, an effort to focus on drug traffickers in northern Chile. Plan Vigia provided more resources to the northern region, specifically near Calama, in response to an increase in the trafficking of Bolivian cocaine. Chile formed the Border Intelligence and Analysis Group designed to increase intelligence collection and dissemination among various law enforcement agencies. The group is composed of members of the Carabineros, PDI, Customs Service, and the Bureau of Prisons. This inter-agency effort builds on the success of the Arica Narcotics Investigations Task Force, launched in 2007.

**Corruption.** As a matter of policy, no senior GOC official or the GOC encourages or facilitates the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. Narcotics-related corruption among police officers and other government officials is not considered a major problem in Chile, and no current Chilean senior officials have been accused of or engaged in such activities. In cases where police are discovered to be involved in drug trafficking, or in protecting traffickers, simultaneous termination and initiation of an investigation are immediate. Chile is traditionally considered the least corrupt country in Latin America and ranked as the third least corrupt country in the Americas behind Canada and the United States in the most recent Corruption Perception Index Survey released by Transparency International.

**Agreements and Treaties.** Chile is a party to the 1961 UN Single Convention as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances and the 1988 UN Drug Convention. Chile is also a party to the UN Convention against Transnational Organized Crime and its protocols against trafficking in person and migrant smuggling, and the UN Convention Against Corruption. The 1900 U.S.-Chile Extradition Treaty is currently in force. (Note: This was signed in 1900 and entered into force in 1902.) The U.S. and Chile continue to negotiate a new extradition treaty. While the U.S. and Chile do not have a bilateral mutual legal assistance treaty (MLAT), both countries are parties to the Organization of American States, 1992 Inter-American Convention on Mutual Assistance in Criminal Matters, which facilitates mutual legal assistance.

**Cultivation/Production.** Chile produces a small amount of marijuana that is consumed domestically.

**Drug Flow/Transit.** Narcotics enter Chile through border crossings with Peru, Bolivia and Argentina. Within Chile, narcotics move along Route 5, the main north-south corridor and part of the Pan American Highway. Narcotics transit out of Chile to the U.S. and Europe via maritime routes. Efforts to intercept illegal narcotics in the northern ports are hurt by inspection restrictions. These restrictions, established

by the treaty signed after the War of the Pacific, allow cargo originating in Peru and Bolivia to pass through ports in Arica, Iquique, and Antofagasta without Chilean inspection.

Domestic Programs/Demand Reduction. CONACE offers a full range of programs designed to reduce domestic drug consumption. The programs focus on drug prevention in schools, the workplace, and the community. There is a movement to increase family involvement to prevent drug abuse and CONACE has several programs designed to help parents talk to their children about the danger of drugs. Chile does not promote or sanction any harm reduction programs. The GOC also provides rehabilitation treatment for drug addicts through CONACE and the Ministry of Health.

#### IV. U.S. Policy Initiatives and Programs

Policy Initiatives. U.S. anti-narcotics objectives in 2008 focused on increased intelligence capabilities, enhanced inter-agency cooperation among Chilean law enforcement agencies, and support for anti-money laundering efforts. These objectives aimed to increase the ability of Chilean law enforcement agencies to combat some of the most challenging aspects of the drug trade in Chile.

Bilateral Cooperation. The USG and GOC have a strong record of bilateral anti-narcotics cooperation. In 2008, the USG and GOC worked together to address intelligence gathering capability, inter-agency cooperation, and maritime security through training and exchanges. DEA officers in Santiago conducted a three day Law Enforcement Tactical Training Course for members of the PDI anti-narcotics unit and an undercover operations course for the Carabineros. DEA offices in Santiago, La Paz, Lima, Buenos Aires, and Asuncion continued to support an Officer Exchange Program among their respective host nations in 2008. Chilean officials traveled to Houston/Galveston and U.S. Coast Guard facilities in California to learn about port security and maritime security.

The Road Ahead. In the future, USG support for Chile,s counternarcotics efforts will focus on interagency cooperation and conducting complex investigations. USG training and equipment will assist Chile,s efforts to gather, analyze and share counternarcotics intelligence among its different law enforcement agencies, particularly in the northern border region. The USG will also train Chilean judges, prosecutors, and the law enforcement community in support of Chilean efforts to create a criminal justice system which can deal with complex, transnational crime. This training will enhance Chile,s ability to pursue major cases related to drug trafficking and money laundering.

#### Chemical Controls Chile

Chile has a large petrochemical industry involved in the manufacturing, importation, and exportation of thousands of chemical products and by-products. Chile is a source of precursor chemicals for use in coca processing in Peru and Bolivia. In March 2008, law enforcement groups seized over 4000 kg of pre-cursor chemicals in Iquique, the largest seizure to date in Chile. Companies that import, export, or manufacture chemical pre-cursors must register with CONACE, maintain customer records, and are subject to CONACE inspections. Chilean law enforcement entities also have specialized chemical diversion units.

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